

CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (this "Disclosure Undertaking") is executed and delivered by the City of Saint Paul, Minnesota (the "Issuer"), in connection with the issuance of \$6,250,000 General Obligation Capital Improvement Bonds, Series 2007C, and \$12,500,000 General Obligation Street Improvement Special Assessment Bonds, Series 2007D (collectively, the "Bonds"). The Bonds are being issued pursuant to Resolutions adopted April 18, 2007 (the "Resolutions"). Pursuant to the Resolutions and this Disclosure Undertaking, the Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the Issuer for the benefit of the Owners of the Bonds and in order to assist the Participating Underwriters in complying with SEC Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolutions, which apply to any capitalized term used in this Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any annual financial information provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Undertaking.

"Audited Financial Statements" shall mean the financial statements of the Issuer audited annually by an independent certified public accounting firm or the State Auditor of the State, prepared pursuant to generally accepted accounting principles promulgated by the Financial Accounting Standards Board, modified by governmental accounting standards promulgated by the Government Accounting Standards Board.

"Dissemination Agent" shall mean such party from time to time designated in writing by the Issuer to act as information dissemination agent and which has filed with the Issuer a written acceptance of such designation.

"Fiscal Year" shall be the fiscal year of the Issuer.

"Governing Body" shall, with respect to the Bonds, have the meaning given that term in Minnesota Statutes, Section 475.51, Subdivision 9.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"National Repository" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. Currently, the following are National Repositories:

Bloomberg Municipal Repository
100 Business Park Drive
Skillman NJ 08558
Phone: (609) 279-3225
Fax: (609) 279-5962
E-Mail: munis@bloomberg.com
<http://www.bloomberg.com/markets/rates/municontacts.html>

FT Interactive Data
Attn: NRMSIR
100 William Street
New York NY 10038
Phone: (212) 771-6999
Fax: (212) 771-7390 (Secondary Market Information)
E-Mail: nrmsir@interactivedata.com
<http://www.ftid.com>

Standard & Poor's Securities Evaluations, Inc.
55 Water Street - 45th Floor
New York NY 10041
Attn: Repository Services
Phone: (212) 438-4595
Fax: (212) 438-3975
E-Mail: nrmsir_repository@sandp.com
www.jjkenny.com/jjkenny/pser_descrip_data_rep.html

DPC Data Inc.
One Executive Drive
Fort Lee NJ 07024
Phone: (201) 346-0701
Fax: (201) 947-0107
E-Mail: nrmsir@dpcdata.com
<http://www.dpcdata.com>

"Occurrence(s)" shall mean any of the events listed in Section 5.A. of this Disclosure Undertaking.

"Official Statement" shall be the Official Statement dated April 4, 2007, prepared in connection with the Bonds, as supplemented by addenda dated April 24, 2007.

"Owners" shall mean the registered holders and, if not the same, the beneficial owners of any Bonds.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" shall mean each National Repository and each State Depository.

"Resolutions" shall mean the resolutions adopted by the Governing Body of the Issuer providing for, and authorizing the issuance of, the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time or interpreted by the Securities and Exchange Commission.

"State" shall mean the State of Minnesota.

"State Depository" shall mean any public or private repository or entity designated by the State as a state depository for the purpose of the Rule. As of the date of this Disclosure Undertaking, there is no State Depository in Minnesota.

SECTION 3. Provision of Annual Reports.

A. Beginning in connection with the Fiscal Year ending on December 31, 2006, the Issuer shall, or shall cause the Dissemination Agent to, as soon as available but not later than December 31, 2007, and by December 31 of each year thereafter, provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Undertaking.

B. If the Issuer is unable to provide to the Repositories an Annual Report by the date required in subsection A, the Issuer shall send a notice of such delay and estimated date of delivery to each Repository or to the MSRB and to the State Depository, if any.

C. Any filing under this Disclosure Undertaking may be made solely by transmitting such filing to the Texas Municipal Advisory Council (the "MAC") as provided at <http://www.disclosureusa.org> unless the United States Securities and Exchange Commission has withdrawn the interpretive advice in its letter to the MAC dated September 7, 2004, if the MAC is then in operation.

SECTION 4. Content and Format of Annual Reports. The Issuer's Annual Report shall contain or cross reference the financial information and operating data pertaining to the Issuer listed below as of the end of the preceding Fiscal Year. The Annual Report may be submitted to each Repository as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Disclosure Undertaking.

The following type of financial information and operating data shall be supplied:

A. an update of the type of information contained in the Official Statement under the caption CITY PROPERTY VALUES;

B. an update of the type of information contained in the Official Statement under the captions GENERAL OBLIGATION DEBT, REVENUE DEBT AND LEASE OBLIGATIONS, and HOUSING AND REDEVELOPMENT AUTHORITY REVENUE DEBT OBLIGATIONS;

C. an update of the type of information contained in the Official Statement under the caption TAX RATES, LEVIES AND COLLECTIONS;

D. an update of the type of information contained in the Official Statement under the caption CITY FUNDS ON HAND;

E. an update of the type of information contained in the Official Statement under the caption CITY INVESTMENTS;

F. an update of the type of information contained in the Official Statement under the caption and subheadings GENERAL INFORMATION CONCERNING THE CITY — "Major Employers in Ramsey County", "Average Annual Labor Force Data" and "Annual Building Permits Issued by the City";

G. data extracted from preliminary, unaudited financial statements of the Issuer and from past audited financial statements of the Issuer in the form and of the type contained in Appendix IV of the Official Statement; and

H. audited financial statements of the Issuer. The audited financial statements of the Issuer may be submitted to each Repository separately from the balance of the Annual Report. In the event audited financial statements of the Issuer are not available on or before the date for filing the Annual Report with the appropriate Repositories as set forth in Section 3.A. above, unaudited financial statements shall be provided as part of the Annual Report. The accounting principles pursuant to which the financial statements will be prepared will be pursuant to generally accepted accounting principles promulgated by the Financial Accounting Standards Board, as such principles are modified by the governmental accounting standards promulgated by the Government Accounting Standards Board, as in effect from time to time. If audited financial statements are not provided because they are not available on or before the date for filing the Annual Report, the Issuer shall promptly provide them to the Repositories when available.

SECTION 5. Reporting of Significant Events.

A. This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Bonds, if material:

- (1) principal and interest payment delinquency;
- (2) non-payment related defaults;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;

- (6) adverse tax opinions or events affecting the tax-exempt status of the security;
 - (7) modifications to rights of security holders;
 - (8) optional or unscheduled redemption of any Bonds;
 - (9) defeasances;
 - (10) release, substitution or sale of property securing repayment of the Bonds;
- and
- (11) rating changes.

B. Whenever an event listed in Section 5.A. above has occurred, the Issuer shall as soon as possible determine if such event would constitute material information for Owners of Bonds. If knowledge of the Occurrence would be material, the Issuer shall promptly file a notice of such Occurrence with each National Repository or the MSRB and with the State Depository, if any.

C. The Issuer agrees to provide or cause to be provided, in a timely manner, to each National Repository or the MSRB and to the State Depository, if any, notice of a failure by the Issuer to provide the Annual Reports described in Section 4.

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Undertaking, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Undertaking, the Issuer may amend this Disclosure Undertaking, and any provision of this Disclosure Undertaking may be waived, if (a) a change in law or change in the ordinary business or operation of the Issuer has occurred, (b) such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule, and (c) such amendment or waiver is supported by an opinion of counsel expert in federal securities laws to the effect that such amendment or waiver would not materially impair the interests of Owners.

SECTION 9. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of an Occurrence, in addition to that which is required by this Disclosure Undertaking. If the Issuer chooses to include any

information in any Annual Report or notice of an Occurrence in addition to that which is specifically required by this Disclosure Undertaking, the Issuer shall have no obligation under this Disclosure Undertaking to update such information or include it in any future Annual Report or notice of an Occurrence.

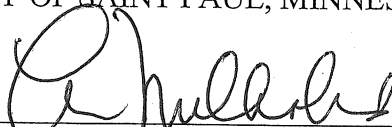
SECTION 10. Default. In the event of a failure of the Issuer to provide information required by this Disclosure Undertaking, any Owner may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations to provide information under this Disclosure Undertaking. A default under this Disclosure Undertaking shall not be deemed an Event of Default under the Resolutions, and the sole remedy under this Disclosure Undertaking in the event of any failure of the Issuer to comply with this Disclosure Undertaking shall be an action to compel performance.

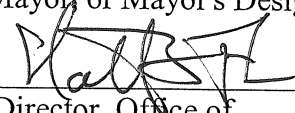
SECTION 11. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the Issuer, the Participating Underwriters and Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 12. Reserved Rights. The Issuer reserves the right to discontinue providing any information required under the Rule if a final determination should be made by a court of competent jurisdiction that the Rule is invalid or otherwise unlawful or, subject to the provisions of Section 8 hereof, to modify the undertaking under this Disclosure Undertaking if the Issuer determines that such modification is required by the Rule or by a court of competent jurisdiction.

Dated as of April 18, 2007.

CITY OF SAINT PAUL, MINNESOTA

By 
Its Mayor, Executive Assistant to the
Mayor, or Mayor's Designee

By 
Its Director, Office of
Financial Services 